



**PRESENTATION**  
**October 2, 2013 Meeting**

**DATE:** September 23, 2013

**TO:** Children and Families Commission of Orange County

**FROM:** Christina Altmayer, Executive Director 

**SUBJECT:** Affordable Care Act and the Healthy Families Transition: Implementation in Orange County and the Impact on Young Children

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Ilia Rolon, Director of Strategic Development with CalOptima, will present an update on the implementation of the Affordable Care Act and the Healthy Families Transition related to young children in Orange County. CalOptima provides publicly funded health plan coverage for low-income families including children and pregnant women. Almost one-third of Orange County's children are covered by Medi-Cal through CalOptima. In addition, with the transition of the statewide Healthy Families Program, approximately 80,000 former Healthy Families members are now Medi-Cal members with CalOptima.

The final version of the Commission's Health Policy Brief documenting the current state of health systems serving children in Orange County is included as agenda item 1 for consideration.

Commissioners

Executive Director



**CalOptima**  
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# **Medi-Cal Expansion and Healthy Families Transition**

**Ilia Rolon, MPH**

**Director, Strategic Development**

# Overview

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- The Affordable Care Act and Children's Health
- Medi-Cal Expansion in Orange County
- Healthy Families Program Transition Update

# CalOptima

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CalOptima is a county organized health system that administers health insurance programs for low-income families, children, seniors and persons with disabilities in Orange County.

Mission: To provide members with access to quality health care services delivered in a cost-effective and compassionate manner.

Vision: To be a model public agency and community health plan that provides an integrated and well-coordinated system of care to ensure optimal health outcomes for all our members.

Values: CalOptima CARES — Collaboration, Accountability, Respect, Excellence, Stewardship.

# ACA and Children's Health

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- Eliminated pre-existing coverage exclusions for children
- New plans now required to cover prevention and wellness benefits without deductibles or cost-sharing
- Funding for the Children's Health Insurance Program extended through September 30, 2015

Beginning in 2014:

- Requires coverage of pediatric oral health and vision services
- Makes mandatory the current state option to extend Medicaid coverage up to age 26 for foster children who have aged out of the foster care system

# Status of Pediatric Oral Health

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- Access challenges continue. Currently, 50% utilization rate for children under 21
- State will only provide stand-alone options through Exchange in 2014 –
  - Families will have to buy two plans, pay two premiums, be subject to additional \$1,000 in out-of-pocket costs per child for up to two children, with no direct access to federal subsidies to offset the dental plan costs
- Advocates requested that Covered California reconsider; Board adopted a resolution in August that:
  - “Recognizes value of preventive oral health for California’s children”
  - Directed staff to “work with all deliberate speed” to make pediatric dental health available to families as an embedded benefit through the Exchange no later than the 2015 plan year

# ACA and Maternal Child Health

- Health plans must offer coverage of maternity and newborn care, as well as behavioral health to participate in exchanges
- Reasonable break time for nursing mothers
  - Amends Fair Labor Standards Act of 1938 to require that employers provide break time for employees to express breast milk for their nursing infant for 1 year after child's birth



# Medi-Cal Expansion Overview

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- Effective January 1, 2014, Medi-Cal (Medicaid) will be expanded to include individuals between the ages of 19 and 65 with incomes up to 138% of the federal poverty level (FPL)
- Orange County impacts:
  - Expected to increase CalOptima membership by more than 56,000 new adult members – about 46,000 will transition from County's MSI program
  - Adds a new demographic to CalOptima's membership mix, which has traditionally been women, children and seniors

# Medi-Cal Eligibility for Children

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- Program expanded to children up to age 19 with family income up to and including 250% FPL; also known as the Optional Targeted Low Income Children's program OTLICP
  - No asset limits for children in OTLICP
  - No premiums for children with family incomes up to 150% FPL (\$2,442/month for a family of three, after taking into consideration applicable income deductions and disregards)
  - For children with incomes above 150% FPL, up to and including 250% of FPL (\$4,069/month for a family of three, after taking into consideration applicable income deductions and disregards), the monthly premium amount will be \$13 per child up to a maximum of \$39 for a family with three or more children

# Summary of Changes to Medi-Cal Eligibility

## Before Affordable Care Act

- Today, individuals must meet financial criteria (income level, asset test) AND also be “categorically” eligible:
  - Families with children
  - Pregnancy
  - Disability
  - Seniors
  - Children in foster care
  - People with specific diseases (e.g., breast cancer)

## After Affordable Care Act

- Higher income threshold
- No longer need to be “categorically” eligible, although categories will remain to qualify others
- Asset test eliminated

# Medi-Cal Benefit Package

- ACA designates certain categories of benefits as Essential Health Benefits but only loosely defines
- Many benefits (including pediatric services) remain undefined at state level -- a work in progress

## Essential Health Benefits

- Ambulatory patient services (doctor visits)
- Emergency services
- Hospitalization
- Maternity and newborn care
- Pediatric services, including oral and vision care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management

# Reaching the Newly Eligible Population

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- Eligibility determinations remain with the Social Services Agency
- Public is confused and uninformed about the upcoming changes
- CalOptima is collaborating extensively with the community on outreach and education
  - Founding member of Covered OC – More than 60 agencies currently participating
  - Town halls
  - Community forums
  - Informational workshops
  - Speakers bureau

# Healthy Families Transition Update

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- Phase 1: 33,218 members transitioned and all were assigned back to their PCP
- Phase 2: 22,819 members transitioned
  - Kaiser: 11,682 members; all remained
  - Health Net: 11,137 members; 80% assigned back to their PCP
- Phase 3: About 10,000 members transitioned
  - Approx. 80% were seeing a Medi-Cal contracted PCP
  - To minimize care disruption for tail-end members, CO honored all Blue Cross authorizations
- Infants that enrolled into HFP through the Access for Infants and Mothers (AIM) Program will transition on November 1, 2013. CalOptima is anticipating about 350 members to transition to Medi-Cal at that time.

# Healthy Families Transition Update, Cont.

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- In response to community input about parents' confusion regarding transition, CalOptima facilitated a work group to equip agencies to outreach to and assist HFP parents
  - Educated agency staff on the details and logistics of the transition and worked with them to develop key messages
  - Helped two agencies secure grant funding to conduct targeted HFP transition outreach throughout the summer
    - Children's Health Initiative of Orange County – South County
    - Give for a Smile – North County
- Gap in Covered Benefits - Medi-Cal is exempt from the requirement to cover Applied Behavioral Analysis (ABA) services.

# Provider Network Capacity

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CalOptima has a strong provider network contracted to serve members including:

- 1,800 primary care providers
- 4,500 specialists
- 30 acute and rehab hospitals
- 30 community health centers
- 488 pharmacies

83% of CalOptima members surveyed reported satisfaction with physician interaction and communication.

\* *CalOptima Fast Facts: September 2013*

# Conclusion

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- Implementation of ACA provides opportunities for increased enrollment, including for families of children enrolled in Medi-Cal.
- ACA will specifically assist children who have preexisting conditions and will ensure that all children have access to prevention and wellness benefits.
- Implementing outreach and enrollment in collaboration with community partners has shown to be a successful model to engage new populations for enrollment.
- Opportunities exist for collaborative partnerships to monitor the on-going impact of health care system changes on young children.